

**Comments for the Record**  
**House Ways and Means Committee**  
**Subcommittee on Human Resources**

**Hearing on Supplemental Security Income Benefits for Children**

Thursday, October 27, 2011, 9:00 AM

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Chairman Davis and Ranking Member Doggett, thank you for the opportunity to submit comments on these issues. This hearing raises two primary issues, the treatment of young people with learning disabilities and the financial challenges faced by families generally, particularly families in poverty.

Whether educationally disabled youth are over-medicated is to some extent outside of the scope of the Committee on Ways and Means. Generally, it should not be a question for Congress at all, but instead should be debated in the medical community. The governmental response should be centered in the National Institutes of Health and its oversight committees, although the question of appropriate care should be given wide berth by Congress. While treatment of ADHD with nutritional supplements is an interesting field of endeavor, it is not within the purview of this committee.

Secondary to this issue is the role of basic nutrition in learning disabilities. Recent research and common sense both indicate that a diet that is too rich in simple sugars and lacking in protein is likely to aggravate learning disabilities.

Serious attention should be paid to whether federal nutrition aid to both families and schools is more a part of the problem than part of the solution. While high carbohydrate food is cheap, it is likely responsible for both hyperactivity and obesity in America's at risk youth. Reversing bad practice in nutrition is neither cheap nor easy, especially when the role of agricultural subsidies for corn and its associated products, like high fructose corn syrup and import advantages for sugar are brought into the mix. The Agriculture Committees have jurisdiction over these issues and sadly they have been part of the problem rather than part of the solution.

While the Boston Globe article suggests that poor parents are using drug therapy as evidence of disability, the appropriate question is not whether this is an abuse practice, as the state of practice is a medical question. The more appropriate question for this question is much more basic, which is why parents would work so hard to make sure their children qualify for benefits?

The answer to that question is both obvious and uncomfortable. It includes the general approach for delivering these programs through the states and the adequacy of benefits provided from state to state and over time. Furthermore, the multiplicity of programs offered by various committees and agencies yields inconsistent results.

The gutting of support for needy families under the auspices of reform has resulted in an epidemic of hunger, which has been made especially difficult during the recent economic downturn. It is no wonder that mothers are gaming the system any way they can.

The fact that it is primarily mothers who must deal with this issue is largely due to requirements which prevent aid to intact families, which is a product of the racism of a prior era that could not fathom providing aid to men, especially African Americans. One would hope that this racism is a thing of the past, however we have our doubts given the state of support for poor families and the level of rhetoric calling for still greater cuts which appears to be driven by more than mere philosophical difference on incentives to self improvement.

We would love to be proven wrong in this area. One way to do this is to use tax policy to provide for adequate incomes for all families.

The United States Department of Agriculture estimates that it should cost \$1,000 per month per child to provide a decent level of subsistence. The federal government could easily guarantee half of this amount using tax reform, with states providing the other half with coordinated tax benefits.

Our proposed tax plan includes expansion of the Child Tax Credit to a refundable \$520 per month per child to be paid out with the wage as an offset to our proposed Net Business Receipts Tax. This tax would function like a Value Added Tax, except that it would be invisible on the receipt, non-refundable at the border and would contain offsets for employers who provide income support to families, health care to employees and retirees and alternative funding for other services now provided by the government, such as elementary and secondary education, remedial literacy for adults, vocational education, mental health services and post-secondary education.

We propose that participants in educational programs targeted at poor families, including secondary education, remedial adult literacy and vocational education, be paid a minimum wage (which would be increased above current levels) and include additional payments of the Child Tax Credit as if they were working in productive employment. This approach is far superior to current programs, especially when such programs push people into work when they are not even literate.

This credit would replace the earned income tax credit, the exemption for children, the current child tax credit, the mortgage interest deduction and the property tax deduction. This will lead employers to decrease base wages generally so that the average family with children and at an average income level would see no change in wage, while wages would go up for lower income families with more children and down for high income earners without children.

This shift in tax benefits is entirely paid for and it would not decrease the support provided in the tax code to the housing sector – although it would change the mix of support provided because the need for larger housing is the largest expense faced by growing families. Indeed, this reform will likely increase support for the housing sector, as there is some doubt in the community of tax analysts as to whether the home mortgage deduction impacted the purchase of housing, including second homes, by wealthier taxpayers.

Likewise, the shift in benefits from categorical and block grant programs to an equal refundable Child Tax Credit will pay for the shift in benefit distribution modalities for families, especially because these families are already eligible for the mix of tax benefits available to workers.

Participants in educational programs should also receive the same level of health insurance as if they were employees of the education provider – thus ending the second class care they receive through the Medicaid program, as well as the need to pay benefits through large, yet underfunded, social welfare bureaucracies at the state level. Public housing should be replaced with residential training programs for both parents and children.

Providing the families of disabled children with the health care services available to workers makes it more likely that health care providers will take the time to consider each case individually, rather than treating them as someone “in the system.” If the subcommittees prefers rehabilitation to permanent disability, it must mainstream medical care and family income levels rather than maintaining income support at what are arguably punitive levels.

Establishing a decent level of income through paid remedial training, increased minimum wages and increased family support through an enhanced refundable child tax credit will also **reduce the need for poor families to resort to abortion services in the event of an unplanned pregnancy.**

Indeed, if state governments were to follow suit in increasing child tax benefits as part of coordinated tax reform, most family planning activities would be to increase, rather than prevent, pregnancy. It is my hope that this fact is not lost on the Pro-Life Community, who should score support for this plan as an essential vote in maintaining a perfect pro-life voter rating.

In the long term, this makes all entitlement services more affordable, as the essential nature of our long-term budget problems are demographic. Providing for more children while giving the poor a way out is the nation’s best long term financial security.

Thank you again for the opportunity to present our comments. We are always available to members, staff and the general public to discuss these issues.

## **Contact Sheet**

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